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EIC-D-631

6 September 1966

ECONOMIC INTELLIGENCE COMMITTEE

MEMORANDUM FOR: Members of the Economic Intelligence
Committee

SUBJECT: Revised Terms of Reference for EIC Working
Group on Aid and Trade Activities of
Communist Countries in Less Developed Areas
of the Free World

The attached proposed revised Terms of Reference for the EIC Working Group will be discussed at the meeting of 12 September. The Working Group has agreed to all of the language except that in paragraph 4. b. Two views of language for paragraph 4. b. are included for your consideration.

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Chairman

Attachment
as stated

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Proposed Terms of Reference

EIC Working Group
on
Aid and Trade Activities of Communist Countries
in Less Developed Areas of the Free World

1. Purpose

To produce coordinated intelligence on economic and military aid, commercial arrangements other than assistance programs, and trade activities of Communist countries in the less developed areas of the free world.

2. Scope of Reports

The Working Group will produce biweekly and annual publications concerning:

- a. Activities relating to offers, agreements, contracts, and shipments to less developed free world areas, of industrial goods, capital equipment, complete plant installations, and commodities, as well as technical assistance of all kinds.
- b. Activities involving military items, technical military aid and training, and the facilities for production of military goods.
- c. The type and extent of technical assistance and training contemplated or provided to free world areas independent of arrangements for the export of equipment or plant installations.

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Excluded from automatic
downgrading and
declassification

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- d. Loans, credits, and other payment arrangements between the Communist nations and the less developed areas related to the above activities or for other purposes.
- e. Trade and commerce arrangements made between the Communist countries and the less developed nations, the terms of agreements, and their fulfillment.
- f. The impact of these activities upon the economies of the ^{donor and} _{recipient} [developing] countries as well as interrelationships that Communist country activities may have with US or Western programs.

3. Coverage

- a. The term, Communist countries, as used in paragraph 1, will normally include the following groupings: (1) the USSR, (2) the East European countries (consisting of Bulgaria, Czechoslovakia, East Germany, Hungary, Poland, and Rumania), and (3) Communist China. Activities of other countries with Communist governments, such as Mongolia, North Korea, North Vietnam, Albania, and Cuba, may also be included as appropriate. The term does not include Yugoslavia. However, from time to time activities that deal with the aid of Communist countries to Cuba and Yugoslavia will be included.

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- b. The term, less developed areas of the free world, as used in paragraph 1, should generally include only less developed countries with non-Communist governments. These consist generally of (1) all countries in Africa, except the Republic of South Africa, (2) all non-Communist countries in Asia, 25X6 [REDACTED] except Japan, (3) [REDACTED] all countries in South and Central America, and (4) Turkey, Greece, Cyprus, Malta, Spain, and Portugal. Activities involving developed free world countries normally should not be covered except in those instances where there may be an important impact on the relationship between the Communist countries and the less developed countries.

4. Function and Organization of Working Group

- a. The Working Group shall assemble, evaluate, and interpret information available to EIC members and associate members on the foregoing activities of Communist countries in less developed areas, and prepare for publication reports on new activities as well as the current status of continuing activities, in biweekly briefs and in annual summations. Selected tables from the annual summary will be updated at mid-year.

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- b. The members of the Working Group will include representatives from USIB departments and agencies and associate members of the EIC to the extent that they desire to participate.

VIEW I

~~Normally the Department of Defense will contribute materials on military activities and the Department of State and the Central Intelligence Agency on economic activities, although any member of the Working Group is free to submit a contribution. The Working Group as a whole will review, edit, and approve drafts prepared by the above-mentioned members.~~

VIEW II

The Department of State and the Central Intelligence Agency will have primary responsibility for evaluating and preparing materials on economic activities and the Department of Defense will have primary responsibility for the military activities. The Working Group as a whole will review, edit, and approve drafts prepared by the above-mentioned members in their respective fields of responsibility. However, no one department or agency is considered to be the indisputable authority in any field and drafts may be questioned.

- c. The Chairman of the Working Group will be appointed by the EIC. CIA will provide the secretariat services required by the Working Group.

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- d. The biweekly briefs shall be distributed as EIC Working Group reports after receiving approval from the Working Group, and shall be distributed to all interested departments in the Government. The annual reports prepared by the Working Group shall be approved by the regular members of the EIC prior to their publication and distribution as EIC reports.

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ANNOUNCEMENTS

Annual Report to the USIB of the EIC was noted by USIB as of 2 September.